

MINUTES
CHICOPEE MOBILEHOME RENT CONTROL BOARD
APRIL 8, 2013 @ 6:00 P.M.

MEMBERS PRESENT

Robert Hopkins, Sharyn Riley, Ronald Lafond

ALSO PRESENT

Christine Lessing-Provost, Attorney to the Board
Chantal Paul, Secretary to the Board

OLD BUSINESS

Robert Hopkins: First order of business is the minutes from January 7, 2013. Do we have a motion to accept them?

Ronald Lafond: I make a motion to accept those minutes.

Robert Hopkins: Any discussion? *Motion passes unanimously.*

Robert Hopkins: We only have one item on the agenda tonight, we received a proposal from S&M Bluebird for an increase in rent. I have to read the rules of the meeting.

Bob reads rules...

Robert Hopkins: This is the hearing, so the representative of the owner or the owners shall proceed first. Mr. Dugre, are you going to represent them this evening?

Marc Dugre: Yes.

Robert Hopkins: Mr. Dugre, would you proceed please.

Marc Dugre: My name is Mark Dugre, I am a certified public account for S&M Bluebird. I know that you all received a copy of this, it was mailed out to you. The increase is based the same way it has been in the past with one exception, this time with a slight increase in their compensation. It is the same four items, real estate tax, health insurance, vehicle gas and oil and the water bill. In Chicopee the water bill over the last several years has been out of sight and that's the largest item. The real estate tax has risen \$3,307, the health insurance has actually gone down \$704.00, vehicle gas and oil is \$5,455, water is the big thing, it went from \$29,343 to \$40,763, that's an \$11,420 increase. The payroll \$10,076, all together this is \$29,554 increase, which comes out to \$174 per lot divide that by twelve months and that is \$14 per month increase. That's basically a summary of this.

John Grigg: (tenant) A couple of things; 1) the park is supposedly being sold for 2.5 million dollars and; 2) water usage; was there more usage than there usually is?

Stanley Grochmal: President of S&M Bluebird, Inc. Yes, we have a purchase and sale that is now active. We don't know when it's actually going to happen. This was way before we put this petition in. At this point we are playing the waiting game. The buyer may back, out. This is not written in stone.

Marc Dugre: Just a couple comments about the health insurance, we did contact DFP Associates. There were a few that were a little cheaper, but not worth it. If they could get comparable coverage for less, they would be happy to pursue that.

Robert Hopkins: Anyone else have any questions for the owners?

Marc Bell: I would like to put a motion to the Board to delay or cancel this rent increase proposal until such time is determined whether the park is changing hands. I sent out an email to the Board that I was hoping that the Board could recognize, I sent it on March 21st. Has the Board received that?

Christine Lessing Provost: We did receive your email and I believe, Chantal had responded for you to attend this evening. It's the Board position that a potential sale that may or may not happen into the future doesn't affect the owner's rights to have the meeting go forward tonight and in, no way, does it jeopardize the tenant's rights. You still all have the same rights, but if we were to cancel it, we are now stepping on the owner's rights to move forward with a hearing that was previously scheduled, which is based on numbers during the last year. So in that respect, I would have to deny your motion and move forward with the hearing.

Robert Hopkins: You can make a suggestion, which you have, but the Board Members have to make the motions. Tenants and owners can't make motions to the Board.

Any other tenants wish to speak about the evidence or proposal?...Okay it appears the tenants have completed their presentation.

Robert Hopkins: Does the Board wish to ask questions either of the owners or the tenants?

Sharyn Riley: I would like to make some observations. When this proposal came through, I went through everything, I look at the same things you look at, what I pay for health insurance, I compared it to our city's plan, the monthly costs, compared to what a family and a single plan is for the city, and don't know if that's because it's two individuals looking for individual v. group. I think this should be addressed. Vehicle gas and oil, I remember the last time you came here, I brought it up because I didn't like looking at this log with purchases. Who's it for, whose vehicle is it? Is it for personal use...? I went month by month with the water bills, unbelievable.

Robert Hopkins: Bluebird, Inc. has applied for a \$14.00 per trailer increase. The monthly total rental fees will be \$243.00 for the fixed trailer sites and \$173.00 for the two travel trailer sites. We need a motion to go forward to discuss and/or vote it up or down.

Sharyn Riley: I make a motion to go forward.

Ronald Lafond: I'll Second. *Motion passes unanimously.*

Robert Hopkins: Discussion on the motion? First of all let me ask Attorney Lessing, I presume that any future proposed changes should have nothing to do with the corporation as such?

Christine Lessing Provost: The existing corporation is S&M Bluebird, right here, right now. In the future, we don't know.

Robert Hopkins: This proposal was put in months ago based on figures from last year and that's the evidence that we have to vote on.

Sharyn Riley: I have a question for Chris, Chris if the ownership does change, if we stipulate that if there is an increase and we put a time-frame when they can come back if they change owner, does that go by the wayside or does the new owner have to stick to that?

Christ Lessing Provost: You can ban them for two years from coming back.

Robert Hopkins: If we ban the park, does that mean we ban the tenants?

Christine Lessing Provost: Yes.

Robert Hopkins: So we have a motion on the proposal to go forward and now we need to have discussion on the particulars. Looking at the components and making sure it's reasonable and looking at the fair net return.

Item #1 Real Estate tax increase of \$3,307.00. Would that be considered a reasonable expense?

Sharyn Riley: I would consider it a reasonable expense, it is what it is.

Robert Hopkins: The \$3,307.00 appears to be a reasonable expense. Let's skip the health insurance for now because we will have a discussion about that.

Vehicle Gas & Oil the cost for 2012 was \$5,455.00. Would this be a reasonable cost to pass onto on the tenants?

Ronald Lafond: It's not specifying where the gas is going...vehicle, what vehicle?

Robert Hopkins: In the future I would like to see more of an explanation on what's being purchased, but for now, we have what we have. I think we have to accept that for this period of the recording that the evidence seems to indicate that this is a legitimate proposal. Okay, Water has increased to \$11,420.00. Are you currently septic systems?

Owners: Yes.

Robert Hopkins: Let's go back to health insurance.

Sharyn Riley: I can't believe they can't find something cheaper. I know what you're saying, they haven't had a pay increase so this is their top of the line medical insurance. Insurance is a very important thing.

Robert Hopkins: So the \$11,420 will be allowed, yes?

Board: Yes.

Robert Hopkins: The health insurance decrease \$704, we'll take that decrease into our total as well?

Board: Yes.

Robert Hopkins: Last item is about an increase in pay for the two full-time employees of \$10,076 and again, the proposal from the park as submitted has been 10-16 years for the same weekly wage of \$610.00, they are looking for \$90 increase, some discuss on that item?

Sharyn Riley: I certainly wouldn't go for the full ten. I feel the pain for somebody that hasn't had a raise for that many years.

Ronald Lafond: I know it's been a while for an increase, but I don't go along with the it adding up to the seven hundred either.

Robert Hopkins: The fact that they haven't gotten a raise in 16 years is pretty bad. The rate is \$90 they are looking for. It's about a 15% increase, which is 1% per year. On the other hand, they do have a premium health insurance plan, that is kind of their raise in lieu of a better salary. I kind of see it in the middle someplace.

It is a reasonable request for a salary increase? I think that's the only issue I would see as being debatable.

Sharyn Riley: I will make a motion on payroll to cut it in half.

Robert Hopkins: Cut it to \$5,000?

Sharyn Riley: Just that payroll line item.

Ronald Lafond: I second the motion. *Motion passes unanimously.*

Robert Hopkins: You're proposing that we make it \$5,000 even?

Sharyn Riley: We are talking \$12.00 v. \$14.00.

Robert Hopkins: You made the motion that we accept, with the reduction of \$5,000, from the payroll line and that will make the increase \$12.00. As such, we have a motion on the floor on the proposal to allow the increase as delineated by our discussion to a \$12.00 a month increase per tenant.

Motion to accept, all in favor?

Board: Yes. *Motion passes unanimously.*

Robert Hopkins: We have approved a \$12.00 a month increase per lot per month with the line reduction of one half of the requested salary increase.

Next order of business is to discuss whether or not we wish to prohibit S&M Bluebird, Inc. from coming back to us for two years. What's the fair thing to do?

Ronald Lafond: I make a proposal that they come back in one year if they have to.

Robert Hopkins: We are going to ask that any increases for decreases requested for the Board from S&M Bluebird, Inc. be at least one year. Any motion on that?

Board: Yes, and second. *Motion passes unanimously.*

Robert Hopkins: Any other business to come before us tonight Chantal?

Chantal Paul: No.

Robert Hopkins: The increase will be effective June 1, 2013.

Ronald Lafond: I make a motion to adjourn.

Motion to adjourn at 7:45 p.m.